

PA 298 OF 2012 FREQUENTLY ASKED QUESTIONS

- *The statute states the Michigan Department of Transportation (MDOT) may conduct performance audits. MDOT is requiring a Generally Accepted Governmental Auditing Standards (GAGAS) Yellow Book Performance Audit.*
 - The performance audit (evaluating internal control and testing of transactions to ensure compliance with Act 51) has the same due date as the financial audit. (For example, with a September 30, 2016 fiscal year end the financial audit would be due March 31, 2017 and the Performance Audit will be due the same date.)
- *When does this requirement start?*
 - The additional performance audit requirement is to be included with each financial audit for fiscal years starting on October 1, 2015 and thereafter.
- *Do I have to have a Performance Audit every year?*
 - For agencies that have financial audits biannually then the performance audit would only be required when the financial audit was required, every other year.
- *What are CPAs required to do to show compliance?*
 - While MDOT initially indicated that we would look for a conclusion in the audited financial statements it has since been determined that the CPA must prepare a performance audit per the GAGAS (Yellow Book).
- *How do I submit the Performance Audit?*
 - Until a permanent solution has been identified performance audits are to be electronically submitted to the MDOT-Outreach@michigan.gov mailbox.
- *What if no performance audit is submitted to MDOT?*
 - MDOT may find the agency in noncompliance with Act 51 and may withhold the Michigan Transportation Fund distributions.
- *My CPA is charging a higher audit fee to include the additional work for this Performance Audit. Is this fee an eligible use of Michigan Transportation Funds?*
 - Yes, the fee is an MTF eligible expense, the same as an audit fee for the financial audit, however be aware that agencies are still limited to the 10% allowed for administration.
- *What other information is available?*
 - Information previously sent to locals is available on our website at: www.michigan.gov/act51 under the PA 298 of 2012 heading.